

DETAILED ACTION

1. This is a Final office action in response to Applicant's reply of 9/08/2009. Claims 1-6, 9-17, 20-26 are pending.
2. This action follows the Petition to Revive from Abandonment filed 5/21/2009 which was approved and granted 7/28/2009. Claims are presented as amended 9/8/2009. Remarks consistent with these amendments were filed 10/8/2009 and are the basis of the response herein.

Response to Amendment

3. In response to rejections under 35 U.S.C. 101, Applicant amends claims to recite computer-implemented methods and computer-based systems, and further amends independent claims 1 and 10 to add a step and module for displaying the at least one prioritized business category and the at least one total risk score. However, these amendments do not fully address the deficiencies under 35 U.S.C. 101:

As to the process claims 1-6, 9, and 21-26, nominal recitation of a "computer" (or network) in a process claim, even if explicitly reciting the computer in a claim, does not in itself result in patentability of an otherwise ineligible computer-implemented invention. Insignificant extra-solution activity such as data gathering, data output, transmitting or display, does not transform an unpatentable process into a patentable process. For example, claim 1 recites steps of *presenting, via a computer network, ... and prioritizing, via the computer network, ...* however, *presenting* and *prioritizing, via the computer network*, and *displaying* are mere pre- and post-solution activity (data gathering and

display) noting that as disclosed there is no *prioritizing* being performed *by the computer network*, only data gathering *via* the computer network. Because no step of the process recites a particular apparatus performing significant step(s) of the process, the claim remains ineligible for patenting and thus non-statutory under 35 U.S.C. 101.

Claims 10-17 and 20 reciting a *computer-based system*... recites a system without structure and further, even inferring the existence of a "computer" in the system from the preamble, recites "modules" and an "engine" disclosed as software but are not tied in the claim to any computer or apparatus for performing the software. As such, the claims recite software per se without relation to any structure and are similarly non-statutory under 35 U.S.C. 101.

Examiner suggests that the methods claims amended to recite the *determining...* steps as being also performed *by a/the computer* would meet the statutory machine-or-transformation test for process claims, and amending the system claims as comprising a processor and a memory with the modules stored thereon for executed by a computer would be statutory as to the apparatus claims. Examiner notes support in the specification for these embodiments at Figures 3-4 and pages 15-16, disclosing a computer (server or client stations) and system for performing the disclosed methods. However, presently, the claims remain non-statutory under 35 U.S.C. 101.

4. Applicant amends claim 25 to address a rejection as to indefiniteness under 35 U.S.C 112, as to the word *directly* further limited the invention. The removal of *directly* from the claim along with Applicant's explanation of its intent interpretation provides

sufficient clarity to the claim, and, accordingly, the rejection under 35 U.S.C. 112 is withdrawn.

Response to Arguments

5. Applicant's arguments filed 10/9/2008 have been fully considered but they are not persuasive:

Applicant argues Barton (US Pat. Pub. 2002/0059093) "does not teach as in claim 1, *determining a detection index based on the number of response, and corresponding answers, to each of the series of questions as recited in claim 1,*" because "Barton teaches...compiling answers received from the process owners, and summarizes the questions and answers as an assessment of the compliance program," which is not "determining a detection index based on the number of responses and corresponding answers." (Remarks, pg. 9, 2nd para.). Applicant asserts that Barton's detection index is instead based on a "detect ability" and not on "the number of responses and corresponding answers," (Remarks, pg. 10, 1st paragraph).

Applicant further argues Barton's "occurrence factor" is not the same as the *occurrence index* of the present invention, because the *occurrence index* of claim 1 is "based on the potential consequences of non-compliances, e.g., potential number of non-compliance and its impact," whereas Barton's occurrence factor is "based on percentages," which are in Barton, if Examiner's understanding of the distinction argued by Applicant is correct, percentages or a "likelihood" of non-compliance in a process; that is, based on a *probability of non-compliance* and not based on the *potential consequences* of non-compliance as recited in claim 1. (Remarks, pg. 10, 2nd-4th para.).

Applicant argues the rejection of claims 23 and 24 under 35 U.S.C. 103(a) are deficient for at least the reasons given above for claim 1 (Remarks ,pg. 11).

In response to Applicant's considered analysis and response to rejections over Barton, Examiner respectfully disagrees.

Applicant is reminded that claims on examination are given their broadest reasonable interpretation in light of, but not reading into to the claim details of, the specification.

Barton teaches a detection index which is "based on" the number of responses and corresponding answers. Prior to building the risk model and determining the assignments of risk ratings in the FMEA matrix (see ¶[0084]), Barton performs a risk assessment based on the questionnaires to produce an analysis of compliance from which "results from the questionnaires are a key input in mapping high level business risk model." (¶[0069]). The output of this analysis which is based on a "ratio of the number of questions for which an answer was expected" (¶[[[0065]]) is used to assess the detect-ability and assign the detection factor used in the overall assessment (see ¶[0085]). Thus, at least *indirectly* Barton teaches a detection index (factor) which is *based on the number of responses and corresponding answers*.

As to distinctions argued in the *occurrence index of the present invention*, Examiner notes that the occurrence index is claimed as one *based on the potential consequences of non-compliance*, not, as argued, as "based on the total number of agents and/or employees affected by non-compliance" (see Remarks, pg. 10, 2nd paragraph). Barton teaches an occurrence index as a likelihood of occurrence of non-

compliance; the “occurrence” of an instance of non-compliance is, broadly, a *potential consequence* of non-compliance (i.e. “it happened”). In response to applicant's argument that the references fail to show the argued features (number of agents or employees affected), notwithstanding that said features are non specifically claimed, Barton's “likelihood of occurrence” factor is at least indirectly related to the occurrence index of the present invention as one would anticipate the likelihood of occurrence to increase with the increased opportunity of non-compliance by greater numbers of employees.

6. Accordingly, the grounds of rejection over all claims as in the prior office action are maintained.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 1-6, 9, and 21-26 are rejected under 35 U.S.C. 101 based on Supreme Court precedent, and recent Federal Circuit decisions.

For a process to be patentable subject matter under § 101 the process must also (1) be tied to a particular machine or apparatus, or (2) transform a particular article to a different state or thing. See *Diamond v. Diehr*, 450 US 175, 184 (1981); *Parker v Flook*, 437 US 584, 588 n9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 US 780, 787-88 (1876). If neither of these requirements is met by the claim, the method is not a patent eligible process. To be “tied” to a particular machine or apparatus, the use of the machine or apparatus in the claimed process must impose a meaningful limit on the claim's scope, and the use of the particular machine or apparatus must involve more than insignificant extra-solution activity. Insignificant extra-solution activity means activity that is not central to the purpose of the invention.

In the present case, claims 1 and 24 recite: *A computer-implemented method for use in compliance management, comprising...presenting...; soliciting...; determining...; and prioritizing, each via a computer network.* However, mere recitation of an apparatus or article in the preamble of a claim does not transform an unpatentable process into a patentable process, and nominal recitation in trivial or incidental steps of a process claim does not constitute a sufficient tie to a particular apparatus.

In the present case, none of method (process) claims are tied to a particular machine or apparatus, or transform a particular article to a different state or thing. Reciting *a computer-implemented method* in the preamble and a data gathering step performed *via a computer network* in the body of the claim, does not create a sufficient tie to a particular apparatus because the *presenting, soliciting, and prioritizing, via a computer network* merely recite data presentation, data gathering, and transmitting steps, and no substantive step is recited as being performed by a computer. Lacking a sufficient tie to another statutory class, the claims are nonstatutory subject matter and therefore ineligible for patenting.

Appropriate amendment is required.

9. Claim 10-17 and 20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 10 recites: *A system for use in compliance management, comprising: a query module...; and a prioritization module...* However, a system without structure where the components of the system

are disclosed as computer software *per se* is non-statutory *per se*. Claims 11-17 and 29 depend from claim 10 and are similarly deficient.

Appropriate amendment is required.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1-6, 9-17, 20, 22, and 25-26 are rejected under 35 U.S.C. 102(e) as being anticipated by Barton et al. (U.S. 2002/0059093).

As per claim 1, Barton et al. teaches a method for use in compliance management, comprising:

presenting, via a computer network, a user with a series of questions relating to at least one business category (See figure 11, paragraphs 0010, 0012-0014, 0049, 0051, wherein questions are presented via the network concerning compliance risk);

soliciting, via the computer network, a response from the user for each question presented (See paragraphs 0010, 0012-0014, 0049, 0051, 0060, wherein the questions are answered);

determining a detection index based on the number of responses and corresponding answers to each of the series of questions (See paragraphs 0013-0014, 0060, 0081, and 0084, wherein detection is determined based on the responses received (and there answers) to a questionnaire. The system tracks when responses are received. The answers corresponding to the questions are used to perform calculations);

determining an occurrence index based on the potential consequence of non-compliance (See paragraphs 0007, 0081, and 0084, wherein occurrence index is determined);

determining a standard severity risk index based on the expected severity of non-compliance (See paragraphs 0068, 0072-3, 0075, 0081, 0084, wherein severity indexes are considered); and

prioritizing, via the computer network, the at least one business category based on the user's responses and at least one total risk score comprising the product of the detection, occurrence, and standard severity risk indices (See paragraphs 0081, 0084-0087, wherein a risk score is calculated based on these factors. See also paragraphs 0068-0069, 0072, 0081, 0090-0091, where risk prioritization numbers are generated to determine the order to handle the risk areas of the business);

and displaying...the prioritized risk score (see Figure 17).

As per claim 2, Barton et al. discloses wherein the user response comprises a "Yes" or "No" (See paragraphs 0060 and 0064, wherein the questions are answered yes/no).

As per claim 3, Barton et al. discloses wherein the at least one standard severity risk index comprises a number between 1 and 10 corresponding to a specific level of risk (See paragraph 0060, 0068, 0072-0075, wherein severity is valued 1-10).

As per claim 4, Barton et al. discloses wherein the number "1" comprises the lowest level of risk severity, and the number "10" the highest level of severity (See paragraph 0060, 0068, 0072-0075, wherein 1 is low and 10 is high severity).

As per claim 5, Barton et al. teaches wherein the at least one standard severity risk index corresponds to the at least one business category (See paragraph 0040, 0060, 0068, 0072-0075, which corresponds to at least one business category. See also figure 11).

As per claim 6, Barton et al. discloses the step of determining a detection index based on the user's responses, and the number of users (See paragraphs 0065 and 0084, wherein the detection index is determined based on the responses from the at least one user). Barton et al. also generates a score based on the number of questions presented (i.e. "opps") (See paragraphs 0065 and 0084, where the number of questions presented (i.e. opportunities) are used to determine a score).

As per claim 9, Barton et al. teaches ranking the at least one business category based on the at least one total risk score (See paragraphs 0081, 0084-0087, wherein a risk score is calculated. See also paragraphs 0068-9, 0072-0075, 0081, 0090-0091, where risk is prioritized).

As per claim 10, Barton et al. teaches a system for use in compliance management, comprising:

a query module associated with an engine for presenting at least one user with a series of questions relating to at least one business category, and for soliciting and receiving responses from the at least one user for each question presented (See figure 11, paragraphs 0010, 0012-0014, 0049, 0051, 0060, wherein questions are presented via the network concerning compliance risk and answers are received);;

a prioritization module associated with the engine for: (1) determining a detection index based on the number of responses to each of the series of questions, determining an occurrence index based on the potential consequence of non-compliance, and determining a standard severity risk index based on the expected severity of non-compliances (See paragraphs 0068, 0072-0073, 0075, 0081, 0084, wherein a detection, occurrence, and severity index are determined) and (2) prioritizing the at least one business category based on the at least one user's responses and at least one total risk score comprising the product of a detection, occurrence and standard severity risk indices (See paragraphs 0081, 0084-0087, wherein a risk score is calculated based on these factors. See also paragraphs 0068-0069, 0072, 0081, 0090-0091, where risk prioritization numbers are generated to determine the order to handle the risk areas of the business).

As per claim 11, Barton et al. teaches wherein the series of questions are presented to the user over a communications network (See figure 11, paragraphs 0010, 0012-4, 0049, 0051, and 0060, wherein questions are presented via the network).

As per claim 12, Barton et al. teaches wherein an administration module associated with the engine for inputting, updating and accessing data associated with

the query and prioritization modules, the administration module being accessible to an administrator of the system via an administration interface (See paragraphs 0012-3, 0048-51, 0060, 0064, wherein an administrator and interface is disclosed).

Claims 13-17 and 20 recite equivalent limitations to claims 2-6 and 9, respectively, and are therefore rejected using the same art and rationale as applied above.

As per claim 22, Barton et al. teaches wherein the occurrence index weighs the total risk score based on the potential consequences of non-compliance (See paragraphs 0081, 0084-0087, wherein a risk score is calculated based on these factors, and wherein occurrence influences and affects the overall score. See also paragraphs 0072 and 0075).

As per claim 25, claim 25 is rejected using the same art and rationale set forth above with respect to claim 21. Barton et al. further discloses assessing a potential consequence of non-compliance, the potential consequence of non-compliance relating to parameters and the values of such parameters (See figure 16 and paragraphs 7, 38, 42, 44, 55, that disclose potential consequences (failure effects) of failures of non-compliance); determining an occurrence index based on the potential consequence of non-compliance that was assessed, such that the occurrence index changes as the parameters associated with the potential consequence of non-compliance change, the occurrence index that is determined being one of at least three possible occurrence indices, the at least three possible occurrence indices being provided as possible occurrence indices (See figure 16 and paragraphs 81 and 84, which disclose an

occurrence index that results from the identified potential failures and the failure's effects. The occurrence index can be chosen from a set of 1-10).

As per claim 26, Barton et al. teaches wherein the detection index by a relationship between the number of queries or questions that were answered with a particular response, the total number of queries or questions in the category, and the number of departments or units responding (See paragraphs 0010, 0012-0014, 0049, 0051, 0060, wherein the questions are answered. Paragraphs 56-9, 62, 72, and 90, specifically discuss the gathering of information from interviews and questionnaires into the knowledge base of the system. This knowledge base is relied upon to determine the detection index. See specifically paragraphs 0081 and 0084, wherein detection is determined using the knowledge base).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barton et al. (U.S. 2002/0059093).

As per claims 23 and 24, Barton et al. teaches the potential consequence of non-compliance (See paragraphs 0081 and 0084-0086). However, Barton et al. does not expressly disclose that the potential consequence of non-compliance is based on the

total number of agents or employees affected by non-compliance or the total number of policies in force.

Barton et al. discloses that the potential consequence of non-compliance, which is considered in the system when determining an occurrence index. It is old and well known in the art that employees and the number of policies are factors that cause occurrences of non-compliance, such as a regulation being violated by a policy or an employee not following a rule. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to consider employees affected by non-compliance and the total number of policies in force in the occurrence index when considering the potential consequence of non-compliance in Barton et al. in order to more efficiently determine the potential for failure concerning the business by taking into account the areas in which non-compliance events may occur. See paragraphs 0065 and 0084.

Conclusion

10. The prior art made of record and listed on the attached PTO Form 892 but not relied upon is considered pertinent to applicant's disclosure.

Specifically, Buddle et al. (JP 2001250023 A) published Sept. 14, 2001 in Japanese and prior to the priority date of the present invention and related by patent family to US Pat. 6,912,502 issued in 2005 to an assignee common to the present invention, appears to disclose the present invention at least as claimed, however, Buddle et al. does not list the present applicant as an inventor. Furthermore, while the translated contents of Buddle et. al. (in Japanese) are presently unverified, Buddle et al.

(US Pat. 6,912,502) expressly discloses an "occurrence score [based on] a measure of how frequently the risk [of non-compliance] could occur...driven by responses to a number of key questions (e.g. how many employees or distributors the company has or the total number of policies in-force)" and a "detection score driven by the responses to the questionnaire." (see Buddle, column 8, lines 44-50). Though not presently applied in any rejection, the two Buddle references raise questions as to inventorship and finding a consistent translation of the Japanese publication, may qualify as 102(a) prior art in a future rejection.

Applicant is also advised to consider in detail the additional patent and non-patent prior art cited on the 892 attached in preparing any amendment and/or response to this office action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dave Robertson whose telephone number is (571)272-8220. The examiner can normally be reached on 8 am to 6 pm, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Albert Decady can be reached on (571) 272-3819. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Dave Robertson/

Examiner, Art Unit 3623

/Ramesh B. Patel/

for Albert Decady, SPE of Art Unit 2121